

GOED Board Meeting Minutes

August 10, 2017 • 10:00 a.m. – 12:00 p.m.
Governor's Office of Economic Development
60 East South Temple, Suite 300
Salt Lake City, UT 84111

Members Present:	Jerry Oldroyd, Mel Lavitt, Margo Jacobs, Carine Clark, Bevan Wilson, Ted Wilson, Annette Meier, Steve Neeleman, Peter Mouskondis, Christopher M. Conabee
Members Excused:	Stefanie Bevans, Brent Brown, Lorena Rizzo-Jenson, Sue Johnson, Bob Frankenberg
Staff:	Val Hale, Jill Flygare, Ben Hart, Thomas Wadsworth, Vicki Varela, Lynne Mayer, Sara Adleman, Aimee Edwards, Kimberlee Carlile, Virginia Pearce, Larry Shepherd
Visitors:	Theresa Foxley, Jake Berlin, Becca Haynie, Brice Wallace, Ben Winslow

Welcome

Jerry Oldroyd welcomed everyone to the August 10, 2017 GOED Board Meeting.

Approval of the Minutes

MOTION: Margo Jacobs motioned to approve the July 13, 2017 minutes. Steve Neeleman seconded the motion. The motion carried unanimously.

EDTIF – Earnest

Project Highlights

Timeline:	2017
Target Industry:	Financial Services
Capital Investment:	\$5,625,000
Jobs:	500
Average Wage:	\$58,000

Company Overview

Earnest Inc., headquartered in San Francisco with 150 employees, was incorporated on July 15, 2013. The private financial services company offers personal unsecured loans, student loan refinancing, in-school student loans and residential mortgages to financially responsible borrowers at low annual percentage rates.

Incentives Committee Recommendation

Total amount of EDTIF, post-performance refundable tax credit:	\$2,803,422
The amount represents the following percentage of new state revenues:	20%
Number of years that incentive is approved for:	5 Years

Jobs & Revenue

Full time jobs over project lifetime: **500**

The company will provide full-time employees with comprehensive health and retirement benefits.

New State Wages & Revenue:

New State Wages over 5 years:	\$63,622,881
New State Revenue over 5 years:	\$14,017,108

MOTION: Mel Lavitt motioned to approve Earnest, for an EDTIF post-performance refundable tax credit of up to \$2,803,422 which 20% of the \$14,017,108 of new state revenue, that may be earned over for 5 years. Margo Jacobs seconded the motion. The motion carried unanimously.

- Total EDTIF incentive not to exceed \$2,803,422 EDTIF post-performance refundable tax credit.
- Annual EDTIF incentive amount based on 20% of qualified new incremental state tax revenues generated and receipted in the previous calendar year.
- Total incentive not to exceed 20% & of qualified new incremental state tax revenues over 5 years with a contractual recapture provision for any excess funds paid to the company.
- Must meet new qualified employment projections, employee headcount at the stated wage % criteria at 50% for each project year.

- Annual total project average salary of new employees (not each new position, this is an aggregate annual number) to be at least 110% of the average wage each excluding company contributed health insurance.
- Must commit to keep operation in Utah for the length of the incentive period, 5 years.
- Incentives are site specific and subject to local incentive participation.
- Local incentive proposal must be presented to and approved by the GOED Incentives Committee in order for company to be eligible for the incentive.
- Company must demonstrate sufficient investment, capital or other financial resources to reasonably fulfill the projections included in the application.
- Only new state revenue and new jobs created after the GOED Board final approval date are eligible for this incentive.

Louis Barrel, CEO of Earnest, was unable to attend the meeting due to a conflict, but asked that the following statement be read at the GOED Board Meeting:

Mr. Val Hale, Chairman Jerry Oldroyd, and GOED Board Members,

On behalf of the entire team at Earnest I would like to express our gratitude for the Board's consideration of our application. Utah has been rapidly growing as a key technology hub due in large part to your work and we are honored to play a role in the continued development here. Utah is a wonderful second home for Earnest and we cannot wait to be a partner in the community. We look forward to our continued partnership.

Louis Barrel, CEO, Earnest

Film Incentives

"Untitled Web Series"

Project Highlights

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|-------------|-----------------|
| • Category: | Series |
| • Genre: | Comedy |
| • Director: | Wendy Stanzier |
| • Producer | Nicole Colombie |

Utah Jobs and Revenue

- | | |
|------------------------------------|-------------|
| • Estimated Cast: | 14 |
| • Estimated Cast Average Salary: | \$1200 |
| • Estimated Crew: | 139 |
| • Estimated Crew Average Salary: | \$361 |
| • Estimated Extras: | 161 |
| • Estimated Extras Average Salary: | \$257 |
| • Length of Film Production: | 10 |
| • Estimated Spend: | \$1,455,616 |

Project Schedule

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|--------------------------|---|
| • Prep: | August 14, 2017 through August 25, 2017 |
| • Principal Photography: | August 28, 2017 through September 07, 2017 |
| • Wrap: | September 08, 2017 through September 19, 2017 |
| • Post Production | September 20, 2017 through January 03, 2018 |

MOTION:

Margo Jacobs motioned to approve for Y and C Productions Inc, a Motion Picture Incentive Program post-performance cash rebate of no more than \$291,123 (which represents 20% of dollars left in state) or no more than \$363,904 if additional criteria are satisfied (which represents 25% of

the dollars left in state) for the production of “Youth & Consequences”. Steve Neeleman seconded the motion. The motion carried unanimously.

- Incentive offer based on receipt of a complete MPIP application including a script and proof of financing
- Must meet \$1,000,000 minimum dollars left in state to be eligible for the base line incentive of 20% of dollars left in state
- Dollars left in state start date no earlier than 90 days prior to the Governor’s Office of Economic Development Board of Directors approval
- Y and C Productions Inc. may be eligible for an additional 5% incentive upon verification of meeting the criteria as adopted by the GOED Board and administered by the Governor’s Office of Economic Development and the Utah Film Commission, including a \$1,000,000 minimum dollars left in state. At least 75% of the production’s cast/crew must be Utah residents and/or Utah students, or 75% of the production’s Utah principal production days must occur in a rural area. Total incentive with this condition, if all terms are met to the satisfaction of the Utah Film Commission, shall not exceed \$363,904 (25% of the dollars left in state).

“Andi Mack Season 2”

Project Highlights

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|-------------|---------------------------|
| • Category: | Television Series |
| • Genre: | Comedy |
| • Director: | Paul Hoen |
| • Producer | Greg Hampson, Jeff Miller |

Utah Jobs and Revenue

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|------------------------------------|--------------|
| • Estimated Cast: | 25 |
| • Estimated Cast Average Salary: | \$933 |
| • Estimated Crew: | 190 |
| • Estimated Crew Average Salary: | \$350 |
| • Estimated Extras: | 1500 |
| • Estimated Extras Average Salary: | \$105 |
| • Length of Film Production: | 118 |
| • Estimated Spend: | \$18,774,684 |

Project Schedule

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|--------------------------|--|
| • Prep: | May 26, 2017 through July 10, 2017 |
| • Principal Photography: | July 11, 2017 through February 08, 2018 |
| • Wrap: | February 09, 2018 through March 16, 2018 |
| • Post Production | February 09, 2018 through March 31, 2018 |

MOTION:

This production was originally approved by the GOED Board June 8, 2017. The production company revised the Utah estimated spend from \$15,050,616 to \$18,774,684 and has requested the additional MPIP Incentive.

Mel Lavitt motioned to approve for Horizon Productions, Inc, a Motion Picture Incentive Program post-performance tax credit of no more than \$3,754,937 (which represents 20% of dollars left in state) or no more than \$4,693,671 if additional criteria are satisfied and if the funds are available (which represents 25% of the dollars left in state) for the production of “Andi Mack Season 2”. Christopher M. Conabee seconded the motion. The motion carried unanimously.

- Incentive offer based on receipt of a complete MPIP application including a script and proof of financing
- Must meet \$1,000,000 minimum dollars left in state to be eligible for the base line incentive of 20% of dollars left in state
- Dollars left in state start date no earlier than 30 days prior to the original June 8, 2017 Governor's Office of Economic Development Board of Directors approval
- Horizon Productions, Inc may be eligible for an additional 5% incentive upon verification of meeting the criteria as adopted by the GOED Board and administered by the Governor's Office of Economic Development and the Utah Film Commission, if the funds are available at the time of verification, including a \$1,000,000 minimum dollars left in state At least 75% of the production's cast/crew must be Utah residents and/or Utah students, or 75% of the production's Utah principal production days must occur in a rural area. Total incentive with this condition, if all terms are met to the satisfaction of the Utah Film Commission, shall not exceed \$4,693,671 (25% of the dollars left in state).

"I'm So Happy For You"**Project Highlights**

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|-------------|-----------------------------|
| • Category: | Feature |
| • Genre: | Comedy |
| • Director: | Andrew Vallentine |
| • Producer | Amy Baer and Chris Ceccotti |

Utah Jobs and Revenue

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|------------------------------------|-------------|
| • Estimated Cast: | 24 |
| • Estimated Cast Average Salary: | \$649 |
| • Estimated Crew: | 35 |
| • Estimated Crew Average Salary: | \$400 |
| • Estimated Extras: | 373 |
| • Estimated Extras Average Salary: | \$125 |
| • Length of Film Production: | 25 |
| • Estimated Spend: | \$1,227,617 |

Project Schedule

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|--------------------------|--|
| • Prep: | October 9, 2017 through November 3, 2017 |
| • Principal Photography: | November 5, 2017 through December 8, 2017 |
| • Wrap: | December 9, 2017 through December 11, 2017 |
| • Post Production | December 12, 2017 through April 13, 2018 |

MOTION:

Peter Mouskondis motioned to approve for Eagle Does Soar, Inc., a Motion Picture Incentive Program post-performance cash rebate of no more than \$245,523 (which represents 20% of dollars left in state) for the production of "I'm So Happy For You". Annette Meier seconded the motion. The motion carried unanimously.

- Incentive offer based on receipt of a complete MPIP application including a script and proof of financing
- Must meet \$1,000,000 minimum dollars left in state to be eligible for the base line incentive of 20% of dollars left in state
- Dollars left in state start date no earlier than 30 days prior to the Governor's Office of Economic Development Board of Directors approval

Rural Fast Track Grant Endorsements**Kelly Electronics**

The Rural Development office recommends a Rural Fast Track grant for Kelly Electronics, located in Logan, Cache County, for the purpose of moving the company into a new location by purchasing a building in Providence, Utah. The company expects to create two (2) new full time positions paying at least 110% of the county average wage. The total project cost is valued at two-hundred seventy-one thousand dollars (\$271,000).

MOTION: Endorse a Rural Fast Track Grant for Kelly Electronics in the amount of \$50,000.

Blackbox Engineering

The Rural Development office recommends a Rural Fast Track grant for Blackbox Engineering, located in North Logan, Cache County, for the purpose of expanding the company's capability by purchasing Computer Numeric Control (CNC) machining. The company expects to create one (1) new full time position paying at least 110% of the county average wage. The total project cost is valued at one-hundred ten thousand dollars (\$110,000).

MOTION: Endorse a Rural Fast Track Grant for Blackbox Engineering in the amount of \$50,000.

Evolution Design

The Rural Development office recommends a Rural Fast Track grant for Evolution Design, located in Smithfield, Cache County, for the purpose of expanding the company's capability by purchasing a Park Industries Titan Computer Numeric Control (CNC) machine. The company expects to create one (1) new full time position paying at least 110% of the county average wage. The total project cost is valued at one-hundred ten thousand dollars (\$265,000).

MOTION: Endorse a Rural Fast Track Grant for Evolution Design in the amount of \$50,000.

S&S Worldwide

The Rural Development office recommends a Rural Fast Track grant for S&S Worldwide, located in North Logan, Cache County, for the purpose of expanding the company's capabilities. The overall project includes constructing a new building in North Logan; the aspect of the project for which RFT support is requested is to purchase shop cranes which will increase efficiency and safety. The company expects to create two (2) new full time positions paying at least 125% of the county average wage. The total project (includes new building, land purchase, new tooling & equipment) is valued at eleven-million dollars (\$11,000,000). The investment in the equipment (match for RFT funds) is valued at two-hundred sixty-five thousand four-hundred ninety-three dollars (\$265,493.00).

MOTION: Endorse a Rural Fast Track Grant for S&S Worldwide in the amount of \$50,000

MOTION: Christopher M. Conabee motioned to endorse all Rural Fast Track grants. Bevan Wilson seconded the motion. The motion carried unanimously.

GOED Update

Val Hale, Executive Director, provided an update on upcoming events and departmental updates within GOED.

Incentives Update

Thomas Wadsworth, Director of Corporate Growth and Business Development, provided an update on the Incentives Program regarding new and existing projects.

EDCUtah Update

Theresa Foxley, CEO of EDCUtah, presented on the status of current and upcoming projects in the pipeline.

Meeting Adjourned